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83-2503/

16 May 1983

MEMORANDUM FOR THE RECORD

FROM : [redacted] STAT
OGI/ECD/IT

SUBJECT: Comments on IG-IEP International Investment Policy Statement

1. On 16 May, the Chief, International Trade Branch, OGI, provided comments on the draft administration International Investment Policy Statement to Frank G. Vukmanic of the Office of the Secretary of the Treasury. The comments provided Mr. Vukmanic were both editorial and substantive in nature.

2. The main editorial comment on the draft statement concerned the apparent repetitious nature of the document. I suggested that rewording in some places would solve this problem. In addition, I indicated sections in the draft which were somewhat unclear. One bullet, for instance, seemed to suggest that GATT codes covered investment performance requirements while in fact the codes do not specifically cover this issue.

3. A number of substantive points were made. I suggested that the document should elaborate on the problems the United States has had with developing countries over the foreign direct investment issue, particularly in regard to their interpretation of international law. It was also suggested that the reference to fair and equitable treatment of foreign investors in the United States be changed to national treatment. In addition I recommended that the draft be more specific about which multilateral institutions should address policies pertaining to foreign direct investment -- the OECD and/or GATT. I also indicated that the draft made no reference to state policies aimed at attracting foreign investment; Mr. Vukmanic stated that the document intentionally did not cover state policies since it represented the Federal government's position.

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